

Message Text

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AMEMBASSY KUALA LUMPUR

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UNCLAS TOKYO 3041

E.O. 11652: N/A

TAGS: EGEN, BGEN, JA

SUBJECT: GOJ POLICIES ON FOREIGN INVESTMENT IN ELECTRONICS

INDUSTRY

REF: SEOUL 1154

1. SUMMARY: UP TO AND INCLUDING 100 PERCENT FOREIGN INVESTMENT IN ELECTRONICS SECTOR CURRENTLY PERMITTED WITH CERTAIN EXCEPTIONS, PRINCIPALLY COMPUTER AND IC MANUFACTURING. GOJ HAS ANNOUNCED LIBERALIZATION FOR EXCEPTED INDUSTRIES WITH FULL LIBERALIZATION OF ELECTRONICS SECTOR TO BE ACCOMPLISHED BY APRIL 1, 1976. GOJ HAS NO INCENTIVES FOR FOREIGN INVESTMENT IN ELECTRONICS. CURRENT POLICY IS ENCOURAGEMENT, INCLUDING SUBSIDIZATION, IN SOME CASES, E.G., COMPUTERS, IC'S OF DOMESTIC MANUFACTURERS. END SUMMARY.

2. ALL FOREIGN INVESTMENT IN JAPAN SUBJECT TO PROVISIONS OF LAW CONCERNING FOREIGN INVESTMENT, MAY 10, 1950, AS AMENDED. (LATEST AMENDMENT IS LAW NO. 99, JUNE 15, 1968). BASIC STATUTORY PROVISIONS HAVE REMAINED UNCHANGED ALTHOUGH IN ACCORDANCE WITH GOJ'S ACCEPTANCE OF OECD'S CODE OF LIBERALIZATION OF CAPITAL MOVEMENTS, OBJECT OF WHICH IS COMPLETE LIBERALIZATION ALL CAPITAL MOVEMENTS, FIVE ROUNDS OF LIBERALIZATION MEASURES HAVE BEEN INTRODUCED SINCE UNCLASSIFIED

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1967. IN LAST ROUND (MAY, 1973), GOJ ADOPTED GENERAL PRINCIPLE

OF AUTOMATIC APPROVAL OF UP TO AND INCLUDING 100 PERCENT FOREIGN
DIRECT AND PORTFOLIO INVESTMENT IN BOTH NEW AND EXISTING
FIRMS WITH SOME EXCEPTIONS IN ELECTRONICS SECTOR

3. GOJ HAS ANNOUNCED FOLLOWING SCHEDULE OF LIBERALIZATION FOR
EXCEPTED INDUSTRIES:

O

FOREIGN INVESTMENT PERMITTED

50 PERCENT 100 PERCENT

ELECTRONIC ACCOUNTING MACHINES AUG. 4, 1974 DEC. 1, 1975

ADVANCED DESK-TOP

ELECTRONIC CALCULATORS AUG. 4, 1974 DEC. 1, 1975

MANUFACTURING, SALES, OR LEAS- AUG. 4, 1974 DEC. 1, 1975

ING OF ELECTRONICS COMPUTERS

(INCLUDING MAIN FRAMES;

PERIPHERAL EQUIPMENT; TERMINALS;

PARTS AND ACCESSORIES INCLUDING

COMPUTER-USE IC'S) AND COMPUTER-

AIDED SYSTEMS

INFORMATION-PROCESSING DECM 1, 1974 APRIL 1, 1976

INDUSTRY (INCLUDING COMPUTER

SOFTWARE)

IC MANUFACTURING LIBERALIZED DEC. 1, 1974

MAY 1, 1973

FOREIGN INVESTMENT PERMITTED

50 PERCENT 100 PERCENT

ELECTRONIC PRECISION INSTRU- LIBERALIZED DEC. 1, 1974

MENT MANUFACTURING (LIMITED TO MAY 1, 1973

MEDICAL, ELECTRICAL/ELECTRONIC

MEASUREMENT AND TEST EQUIPMENT)

APPLICATIONS FOR INVESTMENTS IN EXCESS OF PERCENTAGES PERMITTED
ACCORDING TO LIBERALIZATION SCHEDULE ARE SUBJECT TO CASE-BY-CASE
APPROVAL.

4. GOA PROVIDES NO INCENTIVES FOR FOREIGN INVESTMENT IN ELECTRONICS
SECTOR. CURRENT POLICY IS ENCOURAGEMENT, INCLUDING SUBSIDIZATION,
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IN SOME CASES, E.G., COMPUTERS, IC'S OF DOMESTIC MANUFACTURERS.
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Message Attributes

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